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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Applications of WorldCom, Inc. and	)	
MCI Communications Corporation	)	CC Docket No. 97-211
for Transfer of Control of	)	
MCI Communications Corporation	)	
to WorldCom, Inc.	)	

REPLY OF GTE SERVICE CORPORATION TO OPPOSITION TO MOTION TO DISMISS

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SUMMARY

WorldCom and MCI are direct competitors in virtually every aspect of their respective telecommunications businesses. Even a cursory review of their interests under standard antitrust analyses shows that their merger would increase market power in long distance, international, and Internet services. Notwithstanding these facts, WorldCom and MCI filed skeletal applications which provided no information concerning the transaction's potential competitive effects and failed to corroborate their claims that multi-billion dollar "efficiencies" and "synergies" would flow from the merger and somehow redound to the public's benefit. In so doing, the Applicants deliberately ignored their clear responsibilities under applicable Commission merger standards to provide information sufficient to carry their burden of proof that the transaction would promote competition and serve the public interest.

In their Joint Opposition to GTE's Motion To Dismiss, WorldCom and MCI still maintain that the merger does not raise any competitive issues and that they need not provide any verifiable evidence to support their claimed public interest benefits. Rather than meet their obligations under agency policies, the Applicants resort to suggesting that GTE created its reading of FCC merger standards "out of thin air." Yet, as WorldCom and MCI well know, a quick look at the agency's pronouncements in *Bell Atlantic* and subsequent merger cases immediately lays any doubts to rest.

WorldCom and MCI also suggest that their Joint Reply to the petitions to deny filed January 26, 1998, answers questions previously unanswered about their merger. As detailed below, this filing still falls far short of the minimum information and documentation required under the Bell Atlantic merger standard and its progeny.

indeed, their pleading is largely a diatribe directed against the motives of the petitioners, as well as a less than subtle attempt to shift the burden of proof on all issues from themselves to others.

Rather than provide facts to support their claims, the Applicants have sought to game the process. They filed applications that omitted the information essential to meaningful public comment. Then, at the end of public comment process, the Applicants dumped in largely argumentative documents in the hopes of escaping critical agency examination. In other similar contexts, the Commission has recently tightened its procedures to prevent this type of manipulation.

In view of the record before the Commission, the WorldCom and MCI applications should be summarily dismissed as fatally deficient. In the alternative, the Commission should require WorldCom and MCI promptly to submit a full competitive and public interest showing along with documents provided to the Department of Justice, including but not limited to those submitted for Hart-Scott-Rodino review. After an appropriate period for public inspection of the new material, the Commission should then structure a new pleading cycle to ensure informed public comment and agency decision-making.

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REPLY OF GTE SERVICE CORPORATION
TO OPPOSITION TO MOTION TO DISMISS

GTE Service Corporation and its affiliated telecommunications companies (collectively "GTE")[1] respectfully submit their Reply to the Joint Opposition of WorldCom and MCI to GTE's Motion to Dismiss.[2] As GTE and numerous other commenters have shown, the proposed merger of WorldCom and MCI will cause significant potential anti-competitive effects in the local, long distance, international, and Internet markets. Despite this showing, WorldCom and MCI continue to argue that their merger would not harm competition and persist in their refusal to provide the information needed to evaluate these effects and verify their claims. Accordingly, their Joint Reply to the

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[1] GTE Alaska, Incorporated, GTE Arkansas Incorporated, GTE California Incorporated, GTE Florida Incorporated, GTE Hawaiian Telephone Company Incorporated, The Micronesian Telecommunications Corporation, GTE Midwest Incorporated, GTE North Incorporated, GTE Northwest Incorporated, GTE South Incorporated, GTE Southwest incorporated, Contel of Minnesota, Inc., Contel of the South, Inc., GTE Communications Corporation, and GTE Hawaiian Tel International Incorporated.

[2] WorldCom, Inc. and MCI Communications Corporation Joint Opposition To GTE Service Corporation Motion to Dismiss, CC Docket No. 97-211 (filed Jan. 27, 1998) ("Joint Opposition"). WorldCom and MCI are hereinafter referred to as "the Applicants."

Petitions to Deny[3] gives only lip service to supplying the necessary information while falling far short of the Commission's requirements.

Just as important, the approach pursued by the Applicants was clearly calculated to deprive interested parties of the opportunity to comment. They have sought to game the system by saying nothing until the response round when there is no further formal opportunity for public comment. This course of conduct should be discouraged rather than rewarded. Therefore, GTE urges the Commission to deny the application outright. Alternatively, the Commission could require WorldCom and MCI to file a complete record and, then, afford interested parties the opportunity for informed comments, as contemplated under the Communications Act and the Administrative Procedure Act.

I. THE COMMISSION, NOT GTE, ESTABLISHED THE BELL ATLANTIC MERGER STANDARD.

As GTE demonstrated in its Motion To Dismiss, the Commission adopted a detailed analytical framework for reviewing the potential anti-competitive effects of mergers in the *Bell Atlantic/NYNEX Order*.[4] This approach is "designed to ensure that [the Commission's] assessment of the competitive effects of a merger is based on generally accepted economic principles relating to market analysis."[5] The Commission

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[3] Joint Reply of WorldCom, Inc. and MCI Communications Corporation to Petitions To Deny and Comments, CC Docket No. 97-211 (filed Jan. 26, 1998) ("Joint Reply").

[4] NYNEX Corp. and Bell Atlantic Corp., Memorandum Opinion and Order, File No. NSD-L-96-10, FCC 97-286 (rel. Aug. 14, 1997) ("*Bell Atlantic/NYNEX Order*"). The merger standard adopted in this order is hereinafter referred to as the "Bell Atlantic standard."

[5] Pittencrieff Communications, Inc. and Nextel Communications, Inc., Memorandum Opinion and Order, CWD No. 97-22, DA 97-2260 at ¶ 11 (rel. Oct. 24, 1997)

(Continued...)

has subsequently applied this standard in cases involving mergers between existing and/or potential competitors, including the *BT/MCI* Order,' and the *Century/PacificCorp Order*,[7] and the *Nextel/Pittencrieff Order*.[8]

In their Joint Opposition, WorldCom and MCI state that GTE "erroneously attempts to hold the Applications to an information standard of GTE's own creation that nowhere appears in the Commission's rules or case law."[9] As GTE has shown, this is clearly not the case. The Commission, not GTE, has developed the standard used to analyze the Bell Atlantic/NYNEX merger and has applied it in three subsequent orders, including one in which MCI was a party.

WorldCom and MCI also allege that "the Commission should not prejudice WorldCom and MCI by dismissing the Applications for failing to meet an as-yet-unannounced standard for market analysis to be considered in an initial application by two nondominant carriers."[10] The applicants are wrong in this contention as well. The Commission has nowhere limited this standard to dominant carriers and such an

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(...Continued)
("*Nextel/Pittencrieff Order*").

[6] MCI Communications Corp. and British Telecommunications plc, Memorandum Opinion and Order, GN Docket No. 96-245, FCC 97-302 (rel. Sept. 24, 1997) ("*BT/MCI Order*").

[7] PacificCorp Holdings, Inc. and Century Telephone Enterprises, Inc., Memorandum Opinion and Order, DA 97-2225 (rel. Oct. 10, 1997) ("*Century/PacificCorp Order*").

[8] *See supra* note 5.

[9] Joint Opposition at 3.

[10] Joint Opposition at 5.

approach would not be rational. Excluding mergers of non-dominant carriers is inconsistent with accepted antitrust analysis, which focuses on the post-merger market power of the entity, rather than the individual applicants' pre-merger status. Recognizing this, the Commission has applied the Bell Atlantic standard in cases where neither party was classified as dominant under the Commission's rules, such as in the Nextel/Pittencrieff merger."

This is not to say that the Bell Atlantic analysis must be unnecessarily or automatically applied where no competitive issues could arise from the merger. For example, if the applicants for a merger are not existing or potential competitors or if an application contains undisputed facts that demonstrate that a merger could not result in any likelihood of the new carrier possessing market power, a detailed analysis would be unnecessary. However, as GTE and numerous other patties have shown in their petitions and comments, the proposed WorldCom/MCI merger does not fall into either of these categories.

II. THE WORLDCOM/MCI APPLICATIONS INVOLVE THE TYPE OF HORIZONTAL MERGER ISSUES FOR WHICH THE BELL ATLANTIC STANDARD WAS INTENDED.

In their Joint Opposition, WorldCom and MCI continue to assert that they "have not identified numerous potential anticompetitive effects" of the merger simply because

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[11] The applicants assert that "GTE attempts to shoehorn the WorldCom/MCI merger into an inapplicable regulatory framework crafted at best for oversight of acquisitions by dominant ILECs." Joint Opposition at 7. GTE assumes that the Applicants would acknowledge that both Nextel and Pittencrieff are non-dominant providers of specialized mobile radio services, not incumbent local exchange carriers. *Nextel/Pittencrieff Order, ¶¶ 3-4.*

such effects do not exist."[12] This claim defies comprehension. At the time of filing, the applicants knew full well that they compete in virtually every aspect of their respective telecommunications ventures. As GTE demonstrated in its Petition to Deny, even a rudimentary Herfindahl-Hirschman Index (HHI) analysis of the effects of the merger show that it could lead to significant increases in market power in numerous lines of business.[13] In addition, several Internet providers, including Simply Internet, have shown that the proposed merger raises serious questions regarding the Applicants' combined power over Internet backbone services.[14]

Under these circumstances, there is no serious question that the Bell Atlantic standard applies and that the applicants bear the burden of meeting its requirements. The standard should have been well-known to the applicants, since it has been applied to all subsequent mergers involving potential market power, including the proposed BT/MCI transaction. In defense of their failure to provide the information required by *Bell Atlantic/NYNEX*, or indeed any information on the anti-competitive effects of the merger, WorldCom and MCI argue that "in none of the cases relied on by GTE did the

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[12] Joint Opposition at 9.

[13] Petition To Deny of GTE Service Corporation and its Affiliated Telecommunications Companies, CC Docket No. 97-211 at 12-16, 30-42 (filed Jan. 5, 1998).

[14] See, Response of Simply Internet, Inc. and Request for Additional Pleading Cycle, CC Docket No. 97-211 (filed Jan. 26, 1998). Simply Internet also asks the Commission to require that the Applicants submit additional information on the competitive effects of the merger and to allow an additional pleading cycle so that the public will have the opportunity to provide the Commission with informed comments. Id. at 3-4. Reply Comments of the Coalition of Utah Independent Internet Service Providers, CC Docket No. 97-211 (filed Jan. 26, 1998).

applicants present such a level of analysis in their applications, yet in no case did the Commission dismiss the application . . . ."[15] However, in each of those cases, the Commission requested additional information, and, more importantly, the Commission had not yet adopted the *Bell Atlantic/NYNEX* Order. Here, even when presented with overwhelming evidence of potential competitive harms, the Applicants persist in a refusal to provide information necessary to evaluate their applications under the Bell Atlantic standard.

As the Commission has made clear several times, it is the merger applicants who "bear the burden of demonstrating that the proposed transaction is in the public interest."[16] Despite this, WorldCom and MCI are still attempting to shift the burden from themselves to those asking the Commission to deny the applications. For example, the Applicants state that:

> In their oppositions, GTE and the BOC petitioners nevertheless suggest the merger will reduce competition in the long distance market. It bears emphasis that although the sole issue in this proceeding is the effect of the merger, *these petitioners offer no economic testimony addressing that issue . . . .*"[17]

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[15] Joint Opposition at 5 n.5.

[16] *Bell Atlantic/NYNEX Order, ¶ 2. See accord Nextel/Pittencrieff Order, ¶ 10; BT/MCI Order, ¶ 33; Century/PacificCorp Order, ¶ 12.*

[17] Joint Reply at 31 (emphasis added).

The Applicants then continue by complaining that "petitioners present no evidence other than their HHI figures to support their claim that competitive conditions would change so as to reduce competition after the proposed merger."[18]

These statements show that WorldCom and MCI fail to comprehend that the burden is on them to show the public benefits of the merger. GTE's HHI analyses are strong evidence that the merger could have anti-competitive effects in several markets. WorldCom and MCI should be providing data and analyses of their own to support their public interest claims, not criticizing GTE for lacking information that WorldCom and MCI have yet to make public. The Commission should not countenance this attempt to divert attention from the flaws in the applications and should require that the necessary information be provided for review by both the Commission and the public.

WorldCom's and MCI's assertions that "the Commission's expert review of transfer applications does not occur in a vacuum . , ."[19] and that "the Commission has extensive information regarding these particular Applicants"[20] from previous merger applications are irrelevant. It is neither the Commission's nor interested parties'

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[18] Joint Reply at 33. Similarly, WorldCom and MCI argue that GTE's use of the term "overlapping" to describe the Applicants' operations is "misleading" because "[i]t suggests that if WorldCom and MCI have any facilities at all in the same city, they provide blanket coverage for that city such that the merger eliminates that competition. There is no support in the record for such a proposition and it is factually inaccurate." Joint Reply at 16 n.15. However, while the Applicants criticize GTE's assertion, they do not supply the market information needed to support their contention that there are no overlapping facilities.

[19] Joint Opposition at 9-10.

[20] Joint Opposition at 9.

responsibility to search through Commission filings in prior proceedings (which undoubtedly contain out-of-date information) to compile relevant facts. Rather, it is the responsibility of the Applicants to file a complete record so that the public has an opportunity to provide comment. In the Section 271 context, the Commission has made clear that applicants are under an obligation to file complete applications to ensure both that the Commission can fulfill its obligations and that the public has an opportunity to provide informed comment." The same reasoning applies in this case, and the applicants should be held to the same standard.

III. WORLDCOM AND MCI ARE SEEKING TO AVOID A FULL EXAMINATION OF THE EFFECTS OF THE MERGER BY THE COMMISSION AND INTERESTED PARTIES.

As demonstrated by their applications, WorldCom and MCI have opted to provide no meaningful information in order to prevent informed public comment and to force the Commission to request additional information. When presented with numerous petitions to deny, the applicants filed an Opposition. Although this pleading contained more information than the original applications, it still falls far short of what is required under the Bell Atlantic standard. Of greater importance, filing additional information after the date for petitions to deny deprives interested parties of the opportunity to comment on this new information. In effect, WorldCom and MCI have elected to flout their obligations under the Bell Atlantic standard, hoping the Commission will blink and let the applications slip through without critical scrutiny.

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[21] Revised Procedures for Bell Operating Company Applications Under Section 271 of the Communications Act, FCC 97-330 (FCC Public Notice) (rel. Sept. 19, 1997).

Indeed, as shown above, WorldCom and MCI still refuse to acknowledge the applicability of the Bell Atlantic standard in their Joint Opposition, which is largely a diatribe directed toward the motives of the petitioners." They also maintain the facade that there are no harmful effects on competition, despite the substantial evidence to the contrary, and continue to argue that there are billions of dollars in benefits while supplying no supporting documentation. Contrary to the Commission's clear requirements in the *Bell Atlantic/NYNEX*, *BT/MCI*, *Century/PacificCorp*, and *Nextel/Pittencrieff Orders,* the applicants failed to provide almost all of the information necessary to determine how the merger will affect competition. Unless and until this information is made available, neither the Commission nor interested parties will be able to conduct a full public interest analysis.

A. The Applicants have not provided the information necessary to assess whether the merger will serve the public interest.

As explained above, the burden is on the Applicants to show that the merger is in the public interest. In their applications, WorldCom and MCI provided only unsupported statements that the merger would enhance competition and produce

[22] WorldCom and MCI accuse GTE of "hold[ing] out to the public, investors and state regulators the Commission's announcement of a pleading schedule for the GTE Motion as if it was an FCC endorsement of the Motion's merits." Joint Opposition at 11. The Applicants' sole evidence for this claim is GTE's statement to several state commissions that "in an unusual procedure," the FCC issued a public notice for comment on GTE's Motion to Dismiss. This statement demonstrates only that GTE noted the facts surrounding the Commission's consideration, not that GTE offered an opinion on the outcome the Commission would reach.

efficiencies and synergies.[23] Unfortunately, their Joint Reply provides little more than the same general statements. For example, the Applicants claim that there will be "[r]educed costs in MCI's local activities "[24] and reference WorldCom's Securities and Exchange Commission (SEC) filing. However, in addition to stating that 'shareholders of WorldCom and stockholders of MCI should not put undue reliance upon any such synergies,"[25] the SEC filing fails to give any basis for the numbers asserted or the assumptions supporting them.[26]

Other claimed benefits are advanced without even a pretext of a factual foundation. Although WorldCom and MCI state that "[t]he merger will have significant procompetitive effects" on international telecommunications market, they offer only vague statements, such as:

> WorldCom and MCI have complementary international competitive operations, which the combined company will expand upon. WorldCom has constructed and operates metropolitan fiber optic networks in London, Frankfurt, Paris, Stockholm, Amsterdam, and Brussels. WorldCom is now connecting those city networks through the construction of its high capacity, pan-European network, Ulysses."

The Applicants fail to explain how this construction will benefit consumers; why the benefits would not occur but for the merger; and, notably absent, if these merger

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[23] See Motion To Dismiss of GTE Service Corporation, CC Docket No. 97-211 at 5-6 (filed Jan. 5, 1998).

[24] Joint Reply at 11.

[25] Joint Reply, Attachment G at 41.

[26] Joint Reply, Attachment G at 42-43.

efficiencies will cause prices to decrease. For the Commission to consider any benefits from the merger, the Applicants should have provided:

- Specific sources and calculations of expected cost savings and efficiency gains (including the details underlying the projections in the Securities and Exchange Commission filings);
- Identification of pre-merger planned investments that will be eliminated or scaled down;
- Identification of any new and expanded investment activities that would not be viable absent the merger;
- A breakdown of anticipated cost savings between marginal cost reductions and fixed cost reductions; and
- Detailed evidence supporting any claimed efficiencies from combining operations.

B. The Applicants have not provided sufficient information to assess whether the merger will enhance competition.

Under the Bell Atlantic standard, the Commission's public interest determination requires an analysis of the relevant product and geographic markets.[28] Although this was noted in several comments and petitions, the Joint Reply filed by the Applicants still fails to define the relevant product or geographic markets or address the impact of the merger on the three classes of customers recognized by the Commission (residential and small businesses, medium-sized businesses, and large businesses/government users).[29] The Bell Atlantic standard also requires that merger applicants identify those

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(...Continued)

[27] Joint Reply at 55-56.

[28] *Bell Atlantic/NYNEX Order, ¶ 49; BT/MCI Order, ¶ 35; Nextel/Pittencrieff Order, ¶ 12.*

[29] *Bell Atlantic/NYNEX* Order, ¶ 53. Although the text of the Joint Reply states that "it is important to emphasize that, despite petitioners' discussion of wholesale services as if

(Continued...)

companies in each relevant product and geographic market that are the most significant market participants."[30] WorldCom and MCI have completely ignored this requirement. Until the Applicants provide this information, the actual effects of the merger on competition cannot be determined.

1. The Applicants have not shown how their merger will affect competition in the local exchange market.

The Applicants claim that the merger would create a stronger competitor to the ILECs because of the complementary strengths of WorldCom and MCI and efficiencies and cost savings from combining operations.[31] They attempt to distinguish this merger from "a merger of, for example, two steel plants that will result in the closing of one of them."[32] However, the only facts provided to bolster this claim are the data in the companies' Securities and Exchange Commission filings which tout a savings of $5.3 billion dollars in the local market. As the Communications Workers of America noted, "[t]he only logical explanation for the reduction of $5.3 billion in expenses in the local market is that the merged entity will shift focus from MCI's pre-merger plans to compete

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(...Continued)
such services constituted a distinct market, no bright line separates wholesale and retail markets," Joint Reply at 49-50, this analysis is contradicted by Dr. Hall's declaration, which at least implicitly recognizes that the retail and wholesale long distance markets must be separately considered. Compare Joint Reply, Declaration of Robert E. Hall, §§ III, IV.

[30] *Bell Atlantic/NYNEX Order, ¶ 58.*

[31] Joint Reply at 8-12.

[32] Joint Reply at 17.

in the residential and small business markets to WorldCom's exclusive focus on large and medium-sized business customers."[33]

This analysis highlights some of the reasons the Bell Atlantic analysis is critical in this instance. First, MCI and WorldCom are clearly both competitors in the local market, and their merger could result in decreased facilities-based local competition generally. Second, the Commission must consider whether such a merger might have a serious impact on residential and small business competition. For both the Commission and interested parties to perform a full analysis of the effects of the merger, the Applicants should have provided at least the following information:

- Maps of existing and planned local networks, detailed enough to show overlaps;
- Plans of each company pre-merger, and of the combined company post-merger, for expanding into new geographic markets;
- A list of other local exchange competitors and their market shares in each market where WorldCom and/or MCI operates;
- Pre-merger and post-merger plans to serve business customers;
- Pre-merger and post-merger plans to serve residential customers; and
- Any internal analyses of the strengths and weaknesses of other local exchange and exchange access competitors (including each other).

2. The Applicants have not shown how their merger will affect competition in the wholesale and retail interexchange services markets.

WorldCom and MCI make broad statements that combining their long distance operations will result in lower costs and increased efficiencies.[34] However, without

[33] Reply Comments of the Communications Workers of America, CC Docket No. 97-211 at 14 (filed Jan. 26, 1998).

evidence, these claims fail to overcome GTE's compelling HHI showing that combining two of the four major long distance carriers will result in a significant increase in market concentration. In addition, the Applicants still refuse to acknowledge that the wholesale long distance market is distinct from the retail market, despite the Commission's determination to the contrary in *Bell Atlantic/NYNEX*,[35] and that the merger will severely restrict competition by eliminating one of the most aggressive players in the wholesale market, WorldCom. To determine the extent to which competition will be affected, the Applicants would need to provide the following data:

- Overall market shares of WorldCom and MCI in specific geographic markets (e.g., individual states), sufficient to determine whether the market should be defined as state-wide, regional, or national;
- Market shares of MCI and WorldCom by retail customer group (residential and small business, medium-sized business, large business/government) of each company on a service-by-service (MTS, 800, low-speed private line, high-speed private line) basis;
- Market shares of MCI and WorldCom in the wholesale market;
- Identification of other competitors in the long distance market and their retail market shares (on a service-by-service basis and customer group-by-customer group basis) in specific geographic markets;
- Identification of other competitors and their wholesale market shares;
- Pre-merger and post-merger plans to serve the wholesale market, including (a) pricing policies and (b) willingness to make available advanced capabilities;
- Pre-merger and post-merger plans to serve residential and small business consumers;

(...Continued)

[34] Joint Reply at 26-27.

[35] *Bell Atlantic/NYNEX Order, ¶¶ 114-120.*

- Pre-merger and post-merger plans to provide bundled service packages;
- Internal analyses of the strengths and weaknesses of new fiber networks (e.g., Qwest, IXC, Level 3); and
- Internal analyses of the strengths and weaknesses of RBOCs in the long distance market.

3. WorldCom and MCI have not shown how the merger will affect competition in international telecommunications services markets.

WorldCom and MCI characterize as "implausible"[36] GTE's showing that the merger will have anti-competitive effects in the international market, but provide insufficient evidence to support their statement. For example, the Applicants ignore the Commission's practice of considering each country pair a separate geographic market. In addition, the Applicants do not address the effects of the merger on the three customer classes identified by the Commission. At a minimum, the Applicants should have provided the Commission with more information, including:

- WorldCom and MCI market shares for IMTS and international private line for each geographic route;
- Identification of other competitors in the (a) IMTS and (b) international private line markets by country pair route;
- Identification of all existing transmission capacity owned (including ownership share) or leased (including any minimum or maximum capacity constraints) by WorldCom and/or MCI; and
- Identification of all rights held by WorldCom and/or MCI to new transmission capacity.

[36] Joint Reply at 56.

4. WorldCom and MCI have not provided sufficient data to address competitive effects of the merger on the Internet market.

GTE and numerous other commenters have made a strong prima facie case that the merger will severely threaten competition in the Internet market. WorldCom and MCI have not provided data to refute this contention and have resisted the Commission's showing that the Internet backbone market must be examined separately from the Internet access market. To build an accurate picture of the effects of the merger on the Internet backbone market, the Applicants would have had to provide:

- Traffic data for their networks;
- Revenue data from the various parts of the Internet market in which they participate;
- A list of the major competitors in the Internet backbone market and their relative market shares;
- Any internal analyses differentiating between Internet backbone and Internet access providers;
- Customer counts; and
- Business plans with regard to: network upgrades and expansion; NAP upgrades and expansion; and peering and access/interconnection agreements.

IV. CONCLUSION

The Applicants have ignored the Commission's Bell Atlantic standard and have failed to meet their burden of demonstrating that the merger is in the public interest. If the Commission simply allows the process to continue, the Applicants will have succeeded in their objective of preventing interested parties from providing the Commission with informed comment, in direct contravention of Commission's rules and the public interest. Therefore, the Commission should grant GTE's Motion to Dismiss.

In the alternative, the Commission could require the Applicants to submit all of the information provided to the Department of Justice, including but not limited to Hart-Scott-Rodino review materials (which should be made publicly available), and any additional information necessary for a full competitive examination under the Bell Atlantic standard. If the Commission pursues this approach, it must amend the pleading cycle to allow comment on all relevant materials, including those in the Joint Reply, so that the Commission will have the benefit of full public consideration.

Respectfully submitted,

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February 5, 1998

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